



# Section 108 Loan Program



## PROGRAM DESCRIPTION

The program is established to facilitate and gap-finance larger commercial and industrial real estate projects. The major goal of this program is to expand economic opportunities by providing jobs and maintaining or increasing the availability of goods and services for low- and moderate-income residents of the City.

## USE OF FUNDS

Eligible uses include, but not limited to, property acquisition, predevelopment, construction, renovation, fixtures/equipment, and development of business incubators.

## ELIGIBILITY CRITERIA

Project must satisfy one of the following eligible criteria:

- Benefit low and moderate-income people through job creation or retention. The goal is to create or retain one permanent full-time equivalent job for every \$35,000 financing assistance received. Out of the total job creation, 51% need to be fulfilled or made available to low and moderate-income people.
- Benefit low and moderate-income people by providing goods and services. The goal is to provide goods and services to a service area where each low and moderate-income person will be benefited by every \$350 used.
- Eliminate or prevent slums and blight in an area where meets the definition of a slum, blighted, deteriorated area under the State or local law.
- Meet urgent community needs.

## LOAN AMOUNT

The requested loan amount starts at \$2,000,000.  
Minimum 10% owner equity is required.

## TERMS

Loan to Value: Minimum 80%  
Interest Rate: Range from 1.00% to 2.50% over City's cost of funds  
Term: Maximum 20 years

## FEES

Approximate 1.50%, assessed based on risks associated. Other related costs, such as appraisal, title insurance, environmental, construction costing, will be paid by applicant or from approved loan proceeds.

## COLLATERAL

Primary security is a deed of trust on real estate. Additional security may be required in the form of guarantees, equipment liens, etc.

## CONTACT

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